STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Division of State Parks

Honolulu, Hawaii 96813

December 9, 2016

Board of Land and Natural Resources State of Hawaii Honolulu, Hawai'i

Kaua'i

Amendment of General Lease No. SP0157, Charles R. Wichman and Jeanne R. Wichman, Co-Trustees of the Wichman Trust, Lessee, Waimea Canyon State Park, Lot 34, Kokee Camp Site Lots, Waimea (Kona), Kaua'i, Hawai'i, Tax Map Key: (4) 1-4-004:017. The Purpose of the Amendment is to Correct the Termination Date to Read December 31, 2028;

Consent to Assign General Lease No. SP-0157, Charles R. Wichman and Jeanne R. Wichman, Co-Trustees of the Wichman Trust, Assignors, to Charles Rice Wichman, Jr. and Jonathan Goodale Wichman, Assignees, Waimea Canyon State Park, Lot 34, Kokee Camp Site Lots, Waimea (Kona), Kaua'i, Hawai'i, Tax Map Key: (4) 1-4-004:017.

APPLICANT:

Charles R. Wichman and Jeanne R. Wichman, Co-Trustees of the Wichman Trust, Assignors, to Charles Rice Wichman, Jr. husband of Hau'oli Wichman and Jonathan Goodale Wichman, husband of Bernadette T. Wichman, Assignees,, as tenants in common.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Lot 34, Kokee Camp Site Lots, Waimea (Kona), Kaua'i, Tax Map Key: (4)1-4-004:017, as shown on the attached legal description and survey map labeled Exhibit A.

AREA:

1.01 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES $_$ NO \underline{X}

CHARACTER OF USE:

Recreation - residence.

TERM OF LEASE:

Twenty (20) years, commencing January 1, 2009, and expiring on December 31, 2028. There is one rental reopening scheduled after ten years.

ANNUAL RENTAL:

\$7,000.

CONSIDERATION:

10.00

RECOMMENDED PREMIUM:

\$0.00.

DCCA VERIFICATION:

Not required. Applicant is not required to register with DCCA.

APPLICANT REQUIREMENTS:

Applicant/Assignee shall prepare and submit fully executed assignment of lease and meet other requirements as described herein.

REMARKS:

Charles R. Wichman and Jeanne R. Wichman, Co-Trustees of the Wichman Trust, entered in to a lease under General Lease No. SP0157 effective January 6, 2009 as a result of direct negotiations with the Department of Land and Natural Resources (DLNR) pursuant to Act 223 SLH 2008. Charles R. Wichman held the previous lease covering the property and a revocable permit immediately prior to the new lease being issued.

By way of a letter dated October 15, 2016, Charles R. Wichman and Jeanne R. Wichman, Co-Trustees of the Wichman Trust, had informed State Parks that due to their ages of 91 years and 88 years respectively, they wish to transfer the lease over to their two sons Jonathan and Charles JR.(aka "Chipper") Wichman.

Both Charles and Jeanne Wichman have enjoyed spending many years at the Kokee cabin and wishes to keep the use of the cabin in the family. As part of their estate planning, they wish to transfer the lease over to their two sons, both of whom live on Kauai and wish to do so while both of them are still in good health.

Lessees are in compliance with the rent as well as the liability insurance required pursuant to the terms of the lease.

Staff notes that the term of the lease is for a period of 20 years commencing January 1, 2009. On the first page of the lease, however, the termination date is listed as December 31, 2029 in error. This would indicate a 21 year lease and is inconsistent with Act 223. Upon consultation with the Department of the Attorney General, a simple amendment can be made to the lease correcting the termination date to read December 31, 2028. Staff recommends this be completed simultaneously with the other documents necessary for the assignment.

Assignee has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

Rent re-opening is not scheduled until after the first ten years of the lease. There are no outstanding rental reopening issues.

No comments have been solicited or received from any agency or the community.

Staff has no objections to this request

RECOMMENDATION:

That the Board consent to the Assignment of General Lease No. SP-0157, Charles R. Wichman and Jeanne R. Wichman, Co-Trustees of the Wichman Trust, Assignors, to Charles Rice Wichman, Jr. and Jonathan Goodale Wichman, Assignees, subject to the terms above which are hereby incorporated by reference and further subject to the following:

- a. That the lease be amended to correct the termination date to read December 31, 2028;
- b. The standard terms and conditions of the most current consent and/or amendment to lease forms, as may be amended from time to time;
- c. Review and approval by the Department of the Attorney General; and,
- d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,

CURT A. COTTRELL

State Parks Administrator

APPROVED FOR SUBMITTAL:

NE D. CASE, Chairperson

